

REGIONAL DIVERSIFICATION OF FUNDS UNDER THE 2007–2013 LEADER APPROACH TO RURAL DEVELOPMENT IN POLAND

Agnieszka Wojewódzka-Wiewiórska✉

Warsaw University of Life Sciences, Warsaw, Poland

Abstract. This study addresses the rural development of Poland and is a part of a research evaluating the use of financial resources which are available within the framework of EU policy and may represent important development factors. The 2007–2013 Leader approach was presented as a financial instrument that supports change in rural areas. The purpose of this paper was to specify the amount of funds spent in specific Polish regions under axis 4 (Leader) of the 2007–2013 Rural Development Program. The study relied on data of the Agency for Restructuring and Modernization of Agriculture, provided by the Ministry of Agriculture and Rural Development as at December 31, 2015. Polish voivodeships were found to differ in the amount and structure of expenditure under particular Leader measures. The regions allocated most of the funds to the renewal and development of rural areas, while the smallest amounts were spent on designing the labor market. The amount of expenditure was mainly determined by the area and population of the regions and by the number of local action groups. Other relevant factors included the activity of different actors such as municipalities, associations, entrepreneurs, residents and their traditional cooperation patterns in rural areas.

Keywords: 2007–2013 Rural Development Program, Leader approach, rural areas

INTRODUCTION

When discussing the differences in social and economic development across Polish regions, rural territories are usually believed to be less developed than other areas, especially cities (Rosner and Stanny, 2014). The key social and economic problems faced by the Polish countryside are as follows: underdeveloped social and technical infrastructure; high unemployment rates; poorly developed services; and low levels of human and social capital. Moreover, just as in other European countries, rural development levels in Poland vary significantly from one region to another (Rosner, 2007). The observed disproportions in the development of rural areas result from numerous factors. In Poland, partitions of national territory that took place in the 18th century, the era of centrally planned economy after World War II, and the political transformation in 1989 form an important historical background (Bański, 2009; Heffner, 2015; Zajda, 2017).

The adopted rural area development policy seeks effective financial and other instruments to bridge the existing development gap. The relevant intervention measures are mainly financed with public funds. For Poland, joining the European Union was an opportunity to launch various programs focused on support and financing for structural changes. At the same time, some

*This paper was financed with funds for the statutory activity of the Department of European Policy and Marketing at the Warsaw University of Life Sciences.

✉PhD Eng Agnieszka Wojewódzka-Wiewiórska, Department of the European Policy and Marketing, Warsaw University of Life Sciences, Nowoursynowska 166 St., 02-787 Warsaw, Poland, e-mail: agnieszka_wojewodzka@sggw.pl

practical differences in the development of rural territories were revealed (Kołodziejczyk, 2015), as reflected by their response to the new reality and new opportunities to access funds for development (Wojewódzka-Wiewiórska, 2012).

Strategic documents were prepared to support rural development in Poland in the 2007–2013 period. This allowed to pursue the objectives set by the EU in the following areas: improving the competitiveness of agriculture; improving the condition of the environment; improving the quality of life in rural areas; and support the diversification of the rural economy (Drygas, 2016; Kutkowska and Pilawka, 2016).

Polish rural areas received support through various channels, including in the form of the 2007–2013 Rural Development Program under the EU Common Agricultural Policy (Rakowska, 2015). Its main objective essentially consisted in implementing the concept of multifunctionality in agriculture and rural areas. The general objective was broken down into specific objectives reflected in the program's axes, i.e. improving the competitiveness of agriculture and rural areas; environmental protection; improving the quality of life and social activation of rural residents (axis 4: Leader) (MARD, 2016).

The structure of assumptions underpinning the Leader approach shows an increased role of rural development actions and reflects the EU's new approach towards a multifunctional development of rural areas where an active participation of rural residents is of key importance (Chevalier, 2012; Lopolito et al., 2015). The Leader approach is based on a local partnership and cooperation between numerous entities which enables combining resources, knowledge and skills. The cooperation of the social, business and public sectors starts at the level of local action groups, usually within a neighborhood community (local governments, institutions). The main objective of the Leader approach is to develop social capital by stimulating the activity of rural environments and involving them in the process of creating and implementing local development strategies. The foundations of the Leader approach address the specific features of Polish rural areas, primarily including the low level of social capital and the typical local conditions of its development. As a multi-sectoral, cross-sectional and partnership-based instrument, Leader comprises a modern, unprecedented approach in the development policy implemented in Polish rural areas. Another important

aspect is that the intervention areas are not delimited by administrative boundaries; instead, they depend on the way the developmental processes evolve, reflecting the actual situation of rural territories where problems affect functional areas rather than administrative units.

The purpose of this paper was to specify the amount of funds spent in specific Polish regions as a part of axis 4 (Leader) of the 2007–2013 Rural Development Program.

RESEARCH METHODOLOGY

This paper used the data from the Central Statistical Office and detailed data of the Agency for Restructuring and Modernization of Agriculture concerning implementation of projects under axis 4 of the 2007–2013 Rural Development Program. The data was made available for the purposes of this study by the Ministry of Agriculture and Rural Development on December 31, 2015 (MARD, 2017). The study period extends from 2007 to 2015 and corresponds to the implementation timeframes of projects co-financed under the 2007–2013 RDP.

The amount of funds spent means total payments made in absolute terms pursuant to the provisions of agreements entered into by all beneficiaries. When considering particular measures and operations, certain regional differences were revealed in the absorption of funds as a part of axis 4 (Leader) of the 2007–2013 Rural Development Program. A vast portion of this paper was devoted to measure 413 'implementation of local development strategies' as it holds a considerable share in total expenditure incurred under axis 4.

IMPLEMENTATION OF THE LEADER APPROACH IN POLAND

In 2007–2013, there were 336 local action groups (LAGs) dispersed across various Polish voivodeships. Combined with the territorial reach of local development strategies, LAGs became the basis for fund allocation under the Leader approach (Table 1). Most of LAGs were active in the Małopolskie, Wielkopolskie and Podkarpackie voivodeships. The lowest numbers of LAGs were reported in the Lubuskie, Opolskie and Warmińsko-Mazurskie voivodeships. When comparing the number of local action groups with the rural population, it turns out that the distribution of LAGs is not directly correlated with the number of residents. As

Table 1. Implementation of the Leader approach in 2007–2013 by voivodeships in Poland

Voivodeship	Number of LAGs (Dec 31, 2015)	% of rural population (Dec 31, 2006)	Rural population per LAG	Payments disbursed under axis 4 of the 2007–2013 RDP (Dec 31, 2015) (%)
Dolnośląskie	19	29.1	44 193	6.06
Kujawsko-Pomorskie	20	38.7	39 956	5.53
Lubelskie	26	53.4	44 605	7.8
Lubuskie	10	36	36 297	3.38
Łódzkie	20	35.4	45 446	5.73
Małopolskie	39	50.5	42 386	10.51
Mazowieckie	35	35.3	52 143	11.22
Opolskie	12	47.4	41 177	3.47
Podkarpackie	31	59.5	40 246	7.68
Podlaskie	16	40.5	30 282	3.66
Pomorskie	16	33	45 396	5.23
Śląskie	15	21.5	66 870	5.39
Świętokrzyskie	18	54.7	38 889	4.87
Warmińsko-Mazurskie	13	40	43 919	4.17
Wielkopolskie	31	43.1	46 999	11.18
Zachodniopomorskie	15	31	34 972	4.13
Poland	336	38.7	43 918	100

Source: own elaboration based on MARD and CSO data.

a result, the population covered by local action groups varies from 10 to 150,000. On average, the greatest number of residents per LAG was reported in Śląskie and Mazowieckie voivodeships. Conversely, the lowest ratios were recorded in Podlaskie, Zachodniopomorskie and Lubuskie voivodeships. In Poland, 16,877,180 people were covered by operations of local action groups, and the implementation area of local development strategies extended to 278,235.70 sq. km (MARD, 2009).

In 2007–2013, the total amount of payments disbursed in Poland as a part of axis 4 (Leader), broken down into three measures, was PLN 3.37 billion. On a countrywide basis, measure 413 ‘implementation of local development strategies’ had the largest share (83.4%) in the expenditure structure, followed by measure 431 ‘functioning of local action groups, acquiring skills and activation’ (15.2%). Not much was spent on measure 421 ‘implementation of interregional and international cooperation projects’ (1.4%). As regards

allocation of funds to the implementation of local development strategies in Poland, the largest amounts were spent on rural renewal and development (53%) and small projects (21%). Little was spent on designing the local labor market, i.e. the diversification towards non-agricultural activity and the establishment and development of micro-enterprises (4% and 5%, respectively).

EXPENDITURE TARGETS UNDER THE LEADER APPROACH

In Poland, the total expenditure incurred under the Leader approach varied from one region to another. The largest amounts were spent in Mazowieckie (PLN 378 million), Wielkopolskie (PLN 377 million) and Małopolskie (PLN 355 million) voivodeships, whereas Lubuskie (PLN 114 million), Opolskie (PLN 117 million) and Podlaskie (PLN 123 million) voivodeships recorded the smallest expenditure. This is because the voivodeships

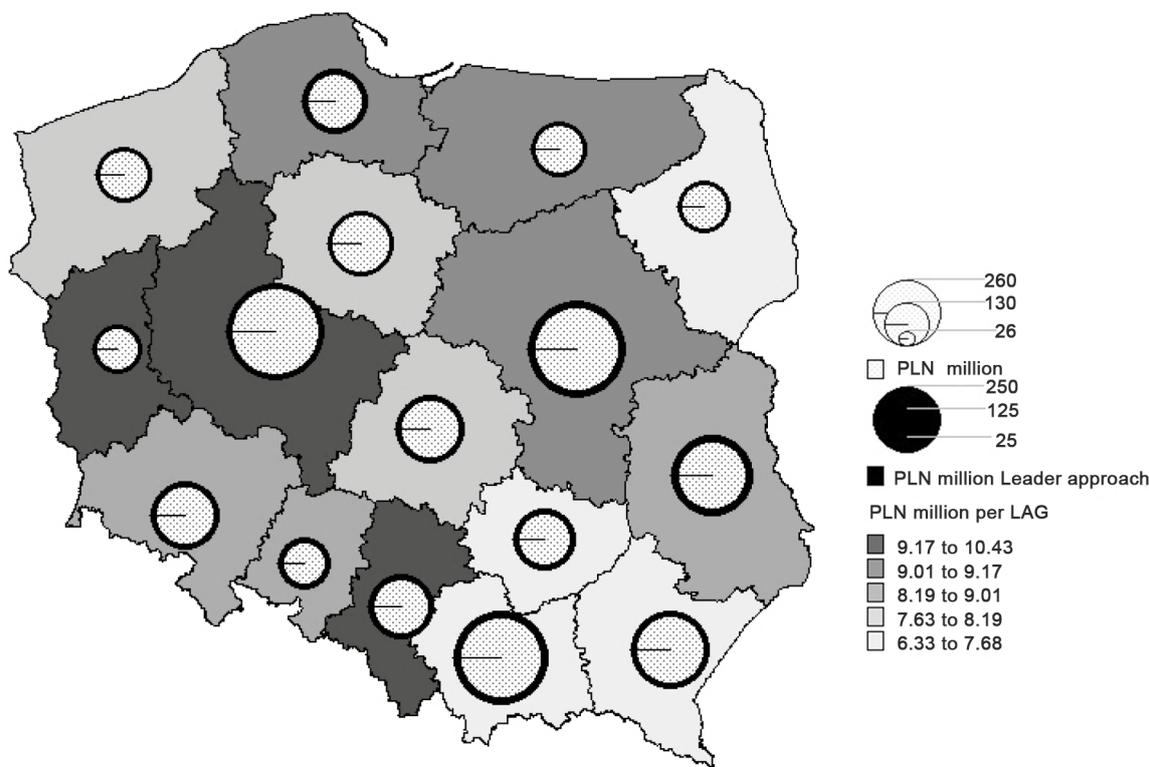


Fig. 1. Expenditure on measure 413 ‘implementation of local strategies’ under the 2007–2013 Leader approach by voivodeships in Poland (million PLN)
Source: own elaboration based on MARD data.

differed in the number of local action groups and rural residents that could be provided with support under the Leader initiative.

As regards measure 413 ‘implementation of local development strategies,’ the voivodeships also clearly differed by absolute amounts of spending, just as in the case of total funds spent under axis 4 of the Rural Development Program. Again, the Mazowieckie, Wielkopolskie and Małopolskie voivodeships stood apart from other voivodeships because of the largest amounts of funds absorbed: PLN 317 million, PLN 323 million and PLN 294 million, respectively (Fig. 1). In each voivodeship, the Leader approach had the largest share (from 80% to 86%) in funds allocated to the implementation of local development strategies. The same was observed on a countrywide basis.

The voivodeships were also found to differ in terms of funds spent on measure 413 (implementation of local development strategies) per local action group. The largest amounts were allocated to Wielkopolskie, Śląskie

and Lubuskie voivodeships; conversely, the south-eastern region of Poland and the Podlaskie voivodeship recorded the lowest levels.

Considering the expenditure targets under measure 413 (implementation of local development strategies) in specific voivodeships, it was concluded that the regions did not differ from one another in terms of the respective structure. In all voivodeships, the largest amounts were spent on village renewal and development and on small projects (Fig. 2). The Dolnośląskie voivodeship, with more funds spent on diversification of activity and development of micro-enterprises than on small projects, was an exception.

When it comes to village renewal and development, the largest amounts were allocated in the Mazowieckie (PLN 200 million), Wielkopolskie and Małopolskie voivodeships (PLN 190 million each) whereas the lowest levels of spending were recorded in the Podlaskie voivodeship (PLN 50 million). As regards small projects, the highest expenditure levels were observed in

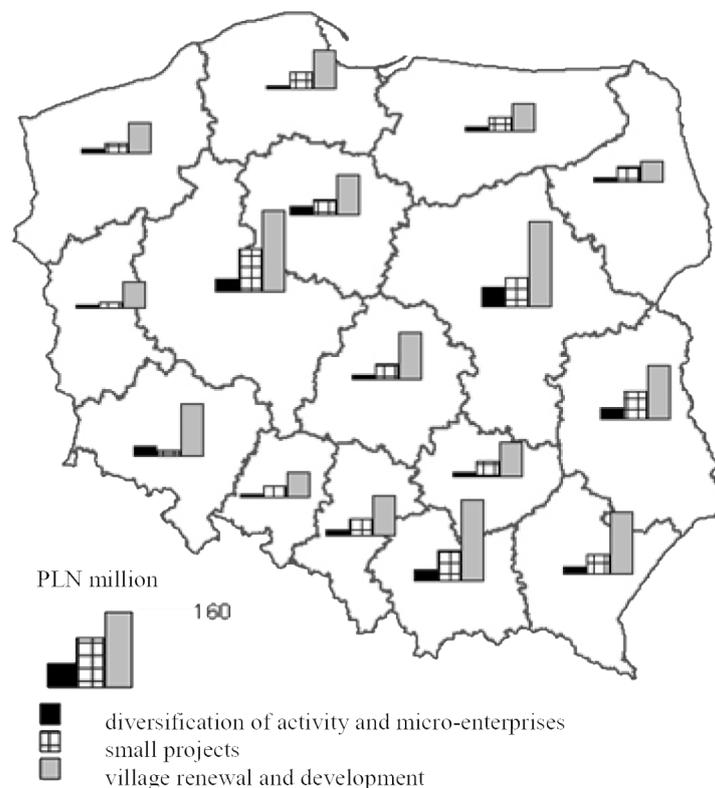


Fig. 2. Expenditure as a part of measure 413 ‘implementation of local strategies’ under the 2007–2013 Leader approach by project type implemented in Polish voivodeships (PLN million)
Source: own elaboration based on MARD data.

Wielkopolskie (PLN 101 million), Małopolskie, Mazowieckie and Lubelskie voivodeships, with the lowest amounts being spent in Dolnośląskie and the Lubuskie voivodeships (PLN 17 million each).

The typical feature of all the voivodeships was that the expenditure on designing the labor market was relatively low compared to other targets. In 11 voivodeships, larger amounts were spent to establish and develop micro-enterprises; however, such projects were predominant in the Świętokrzyskie, Małopolskie and Podkarpackie voivodeships. In the Opolskie, Kujawsko-Pomorskie, Podlaskie, Dolnośląskie and Lubelskie voivodeships, more was spent on the diversification towards non-agricultural activities. On a countrywide basis, the support for micro-enterprises was usually allocated to services to the public (a share of 23–47% in funds disbursed in the voivodeships) and to sports, recreation and leisure services (a share of 8–38% in

particular regions), followed by construction and assembly works and services.

As regards funds spent on the diversification of activities, the development of services for farms or forestry was predominant in all the provinces, with a share of 44% to 74% in the total expenditure. Ranked next were projects related to tourism services and sports, recreation and leisure services, as well as services to the public and municipal services. One of the leading targets of expenditure in the voivodeships was the support for construction or assembly works and services, except for Zachodniopomorskie and Łódzkie voivodeships (with sales as the main target) and Podlaskie and Lubuskie voivodeships (where the main targets included processing agricultural products or edible forest products). Such targets as accounting, handicraft or warehousing represented a marginal share in all voivodeships.

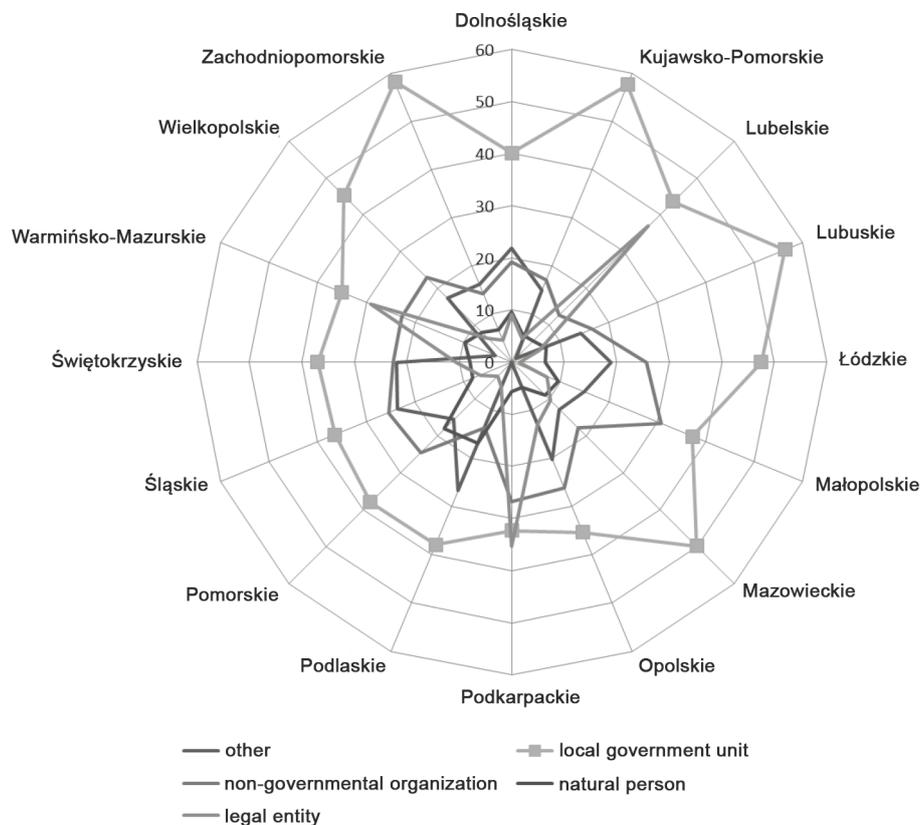


Fig. 3. Small projects implemented as a part of measure 413 ‘implementation of local strategies’ under the 2007–2013 Leader approach by type of beneficiaries in Polish voivodeships (%)

Source: own elaboration based on MARD data.

As demonstrated by the relevant analysis, numerous entities were engaged in small projects intended in particular to improve the quality of human life (Fig. 3). In all the voivodeships, the key role in this respect was played by local government units whose share in the expenditure varied from one voivodeship to another. The largest number of such beneficiaries was reported in Zachodniopomorskie, Kujawsko-Pomorskie and Lubuskie voivodeships. Other beneficiaries were non-governmental organizations which recorded the highest activity levels in the Małopolskie voivodeship. In the Lubelskie, Podkarpackie and Warmińsko-Mazurskie voivodeships, parishes, cultural centers, libraries and volunteer firefighters were also highly active in absorbing funds as a part of small projects. This diversity could be a reflection of practical differences between the voivodeships in terms of activity of various entities

operating in rural areas and their involvement in development measures.

Measure 431 (functioning of local action groups, acquiring skills and activation) was aimed at ensuring an efficient and successful operation of local action groups and persons involved in implementing local development strategies. Therefore, the amount of expenditure incurred under this measure was directly related to the number and size of local action groups. The voivodeships spent average amounts ranging from PLN 1.2 million to PLN 1.7 million, with the largest amount (PLN 2 million) being recorded in the Lubuskie voivodeship.

The voivodeships also differed in terms of inter-regional and international cooperation by local action groups (measure 421). Considering the number of local action groups who entered into cooperation, it may

be concluded that the largest expenditure was incurred in Małopolskie (PLN 5.2 million), Wielkopolskie (PLN 4.8 million) and Mazowieckie (PLN 4.7 million) voivodeships. In turn, the smallest amounts were recorded in Śląskie (PLN 1.8 million), Podlaskie and Opolskie voivodeships (PLN 1.9 million each).

CONCLUSIONS

The funds available to the beneficiaries as a part of the Leader approach were a small portion of public resources allocated to the entire Rural Development Program to support the Polish rural areas. Nevertheless, Leader had a major influence on numerous spheres of life. The interregional differences in fund allocation depended to a great extent on the size of the regions (as regards both area and population) and the number of local action groups. Other contributing factors of major importance were mainly related to the activity of various entities operating in the rural areas that could be potential beneficiaries. On top of that, the differences were caused by the tradition and culture of cooperation and the willingness to start own initiatives for the development of the rural areas.

The research on spending targets under the Leader approach of the 2007–2013 Rural Development Program led to the following conclusions:

1. Polish voivodeships differ by total amounts spent under the Leader approach and by the structure of expenditure on specific measures. The largest amount, i.e. one third of all Leader funds, was allocated to Mazowieckie, Wielkopolskie and Małopolskie voivodeships. In all regions, measure 413 ‘implementation of local development strategies’ was predominant.
2. When it comes to total expenditure incurred under measure 413 ‘implementation of local development strategies,’ projects related to village renewal and development enjoyed the highest popularity. This largely resulted from the considerable capital intensity of investment projects concerned. In all voivodeships (except for Dolnośląskie), the largest amounts were allocated to the implementation of small projects. Their purpose was to improve the quality of life in rural areas. Compared to other expenditure targets, a small percentage of funds were dedicated to designing the labor market through diversification and development of micro-enterprises.

3. During the implementation of local development strategies, various entities operating in rural areas adopted a proactive approach. It was concluded that local government units were the most active players as regards projects affecting the quality of life in the areas where local action groups operated. Other beneficiaries included non-governmental organizations, parishes, cultural centers, libraries and volunteer firefighters. However, their activity levels varied from one region to another.

REFERENCES

- Bański, J. (2009). Rural areas of economic success in Poland – diagnosis and conditioning. *Rural Stud.*, 20, 69–88.
- Chevalier, P. (2012). What effects does national regulation have on Leader Programming in EU-27? *Więś Roln.*, 3, 9–29.
- CSO, Local Data Bank (2006–2015). Retrieved Sep 2nd 2017 from: <https://bdl.stat.gov.pl/BDL/start>
- Drygas, M. (2016). Wsparcie rozwoju obszarów wiejskich w Polsce w ramach wspólnej polityki rolnej UE [Support for rural development in Poland under the Common Agricultural Policy of the EU]. *Studia BAS*, 4(48), 101–122 [in Polish].
- Heffner, K. (2015). Przestrzeń jako uwarunkowanie rozwoju obszarów wiejskich w Polsce [The spatial conditions required for the development of rural areas in Poland]. *Więś Roln.*, 2(167), 83–103 [in Polish].
- Kołodziejczyk, D. (Ed.) (2015). Wieloaspektowe ujęcie problemu spójności obszarów wiejskich na poziomie lokalnym i regionalnym w dotychczas realizowanych i planowanych strategiach rozwoju [A multidimensional approach to the problem of cohesion of rural areas at the local and regional level in previously implemented and planned development strategies]. Warsaw: IERiGŻ PIB [in Polish]
- Kutkowska, B., Pilawka T. (2016). Implementation of the cohesion policy in rural areas of Dolnośląskie region, *J. Agribus. Rural Dev.*, 4(42), 567–575, DOI: 10.17306/JARD.2016.83
- Lopolito, A., Sisto, R., Barbuto, A., Da Re, R. (2015). What is the impact of Leader on the local social resources? *Riv. Econ. Agrar.*, LXX, 1, 55–75. DOI: 10.13128/REA-16977
- MARD (2009). Oś IV PROW 2007 – 2013 – Lokalne Grupy Działania i Lokalne Strategie Rozwoju [Axis 4 RDP 2007-2013 – Local Action Groups and Local Development Strategies]. Warsaw: MARD [in Polish].
- MARD (2016). Rural Development Programme 2007-2013. Warsaw: MARD.

- MARD (2017). Data of the Agency for Restructuring and Modernization of Agriculture concerning the implementation of projects under the 4th axis of the Rural Development Programme 2007–2013 from 31 Dec 2015.
- Rakowska, J. (2015). PROW 2007–2013 jako narzędzie polityki ukierunkowanej terytorialnie [Rural Development Programmes 2007–2013 as a tool of place-based policy]. *J. Agribus. Rural Dev.*, 4(38), 821–828. DOI: 10.17306/JARD.2015.85 [in Polish]
- Rosner, A. (2007). Zróżnicowanie poziomu rozwoju społeczno-gospodarczego obszarów wiejskich a zróżnicowanie dynamiki przemian [Diversification of the level of socio-economic development of rural areas and diversification of the dynamics of change]. Warsaw: IRWiR PAN [in Polish].
- Rosner, A., Stanny, M. (2014). Monitoring rozwoju obszarów wiejskich. Etap I [Monitoring rural areas development. Stage I]. Warsaw: FEFRWP, IRWiR PAN [in Polish].
- Wojewódzka-Wiewiórska, A. (2012). Obtaining funds from the EU budget by rural communes of Masovian Voivodeship. *J. Agribus. Rural Dev.*, 2(24), 273–283.
- Zajda, K. (2017). Bricolage w wykorzystaniu zasobów społecznych wsi. Relacja między zasobami społecznymi obszarów partnerstw a kapitałem społecznym lokalnych grup działania z województw o odmiennych tradycjach społecznikowskich [Bricolage in the use of social resources of rural areas. The relation between social resources of partnerships and social capital of local action groups from provinces with varied social activist traditions]. *Stud. Obsz. Wiej.*, 46, 117–129. DOI.org/10.7163/SOW.46.1 [in Polish].